

RECORDATION NO.

24134-8 FILED

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DEC 17 '03 5:00 PM

SURFACE TRANSPORTATION BOARD

ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

OF COUNSEL
URBAN A. LESTER

December 17, 2003

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of Second Amended Memorandum of Mortgage, dated as of December 17, 2003, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Memorandum of Mortgage which was previously filed with the Board under Recordation Number 24134.

The names and addresses of the parties to the enclosed document are:

Principal Lessee: The Clarksville Leasing Partnership, LLP
c/o Rail Wagon Leasing Limited
Queensgate House
P.O. Box 1093 GT
Georgetown
Grand Cayman
Cayman Islands

Principal Lessor: Lloyds TSB Equipment Leasing (No. 5) Limited
(assignee of Silentdale Limited)
c/o Lloyds TSB Leasing Limited
25 Gresham Street
London EC2V 7HN
United Kingdom



Mr. Vernon A. Williams
December 17, 2003
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Head Lessee: North American Rail Leasing #2 LLC
(d/b/a Babcock & Brown Rail Leasing)
230 Park Avenue
New York, NY 10169

[Indenture Trustee: HSH Nordbank AG
(successor to Landesbank Schleswig-Holstein
Girozentrale)
Martensdamm 6
D-24103 Kiel
Germany]

A description of the railroad equipment covered by the enclosed document is the same as that covered by the original Memorandum of Mortgage, namely:

1073 railcars: AOK 14105 – AOK 14170, FLCX 200200 – FLCX 200429,
IBT 18400 – IBT 18849 (excluding 18605 and 18628), PSTX 5001 – PSTX
5030, PSTX 8001 – PSTX 8250 (excluding 8039) and WE 2600 – WE 2649.

A short summary of the document to appear in the index is:

Second Amended Memorandum of Mortgage.

Also enclosed is a check in the amount of \$30.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,



Robert W. Alvord

RWA/anr
Enclosures

DEC 17 '03 5-00 PM

SECOND AMENDED MEMORANDUM OF MORTGAGE SURFACE TRANSPORTATION BOARD

Second Amended Memorandum of Mortgage, made and entered into as of December 17, 2003 by **NORTH AMERICA RAIL LEASING #2 LLC** (d/b/a Babcock & Brown Rail Leasing) ("**Head Lessee**"), **THE CLARKESVILLE LEASING PARTNERSHIP, LLP** ("**Principal Lessee**") and **LLOYDS TSB EQUIPMENT LEASING (NO. 5) LIMITED** (as assignee of Silentdale Limited, "**Principal Lessor**") in favor of **HSN NORDBANK AG**, as successor to Landesbank Schleswig-Holstein Girozentrale, as Indenture Trustee under the Trust Indenture referred to below (together with its successors and permitted assigns, the "**Indenture Trustee**"), which amends the Memorandum of Mortgage, made and entered into as of September 30, 2002 between the Principal Lessee and the Indenture Trustee (the "**Original Memorandum of Mortgage**"), as amended by the Amended Memorandum of Mortgage, made and entered into as of December 15, 2003 among the Principal Lessee, Silentdale Limited and the Indenture Trustee. Terms used in this instrument have the meanings assigned thereto (whether by reference to another document or otherwise) in that certain Trust Indenture and Security Agreement (U.S. INTOL RAIL V) dated as of September 30, 2002 (as amended, modified or supplemented, the "**Trust Indenture**") among the Principal Lessee, the Indenture Trustee, Last Train Limited, Rail Wagon Leasing Limited, Lloyds TSB Leasing Limited, Silentdale Limited and HSN Nordbank AG, as successor to Landesbank Schleswig-Holstein Girozentrale, as Initial Lender, as supplemented and amended by that certain Trust Indenture and Security Agreement Supplement No. 1 dated as of December 15, 2003 and that certain Trust Indenture and Security Agreement Supplement No. 2 dated as of December 17, 2003.

WITNESSETH:

Principal Lessor, Principal Lessee and Head Lessee have entered into the Trust Indenture by which Principal Lessor, Principal Lessee and Head Lessee (or any of them, as the case may be) have granted to the Indenture Trustee, in order to secure the obligations set forth in the Trust Indenture, a first priority security interest in, *inter alia*, all of their right, title and interest in, to and under:

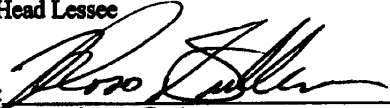
- (a) certain railroad equipment bearing reporting marks as listed in the Original Memorandum of Mortgage (collectively, the "**Units**");
- (b) each lease referred to in the Original Memorandum of Mortgage (as amended, modified or supplemented, collectively, the "**Initial Leases**") and any other lease entered into by Head Lessee or the Principal Lessee with respect to the Units;
- (c) that certain Principal Railcar Lease Agreement (INTOL V Restructuring) dated as of December 15, 2003, as amended, modified or supplemented, by which Principal Lessor has leased the Units to Principal Lessee, and Principal Lessee has leased the Units from Principal Lessor, in each case subject to the Initial Leases;
- (d) that certain Master Railcar Head Lease Agreement (INTOL V Restructuring) dated as of December 17, 2003, as amended, modified or supplemented, by which Principal Lessee has leased the Units to Head Lessee, and Head Lessee has leased the Units from Principal Lessee, in each case subject to the Initial Leases; and



(e) that certain Title Mortgage (INTOL V Restructuring) dated as of December 17, 2003, as amended, modified or supplemented, by which BBRM Title Holding SPC #2 LLC has granted to Principal Lessor a first priority security interest in, *inter alia*, all of its right, title and interest in, to and under the Units and the Initial Leases.

IN WITNESS WHEREOF, each of Principal Lessor, Principal Lessee and Head Lessee has caused this memorandum to be duly executed by its officer duly authorized as of the date and year first above written.


**NORTH AMERICA RAIL LEASING #2
LLC (d/b/a Babcock & Brown Rail
Leasing),
as Head Lessee**

By: 
Name: Ross Sullivan
Title: Vice President

**LLOYDS TSB EQUIPMENT LEASING
(NO. 5) LIMITED,
as Principal Lessor**

By: _____
Name:
Title:

**THE CLARKESVILLE LEASING
PARTNERSHIP, LLP, as Principal Lessee
by Rail Wagon Leasing Limited, its general
partner**

By: 
Name: Victoria McManus
Title: Director

IN WITNESS WHEREOF, each of Principal Lessor, Principal Lessee and Head Lessee has caused this memorandum to be duly executed by its officer duly authorized as of the date and year first above written.

**NORTH AMERICA RAIL LEASING #2
LLC (d/b/a Babcock & Brown Rail
Leasing),
as Head Lessee**

By: _____
Name:
Title:

**LLOYDS TRS EQUIPMENT LEASING
(NO. 5) LIMITED,
as Principal Lessor**

By: R.A. Isaacs
Name: Robin A. Isaacs
Title: Head of Legal and Assistant Secretary

**THE CLARKESVILLE LEASING
PARTNERSHIP, L.P. as Principal Lessee
by Rail Wagon Leasing Limited, its general
partner**

By: _____
Name:
Title:

STATE OF NEW YORK)
)
COUNTY OF NEW YORK)

On the 17th day of December in the year 2003 before me personally came Ross Sullivan to me known, who, being by me duly sworn, did depose and say that he/she/they reside(s) at 230 Park Avenue, New York, NY 10022 that he/she/they is (are) the Vice President (president or other officer or director or attorney in fact] duly appointed) of the North America Rail Lines #2 LLC the entity described in and which executed the above instrument; and that he/she/they signed his/her their name(s) thereto by authority of the board of directors of said corporation.

FRANCIS BYUN
NOTARY PUBLIC, State of New York
No. 01879068750
Certificate Filed in New York County
Commission Expires March 17, 2004


Notary Public

[Notarial Seal]

STATE OF NEW YORK)
)
COUNTY OF NEW YORK)

On the 17th day of December in the year 2003 before me personally came Victoria McManis to me known, who, being by me duly sworn, did depose and say that he/she/they reside(s) at 270 Park Avenue, New York, NY 10017 that he/she/they is (are) the Director ([president or other officer or director or attorney in fact] duly appointed) of the Clarksville Leasing Partnership LP, the entity described in and which executed the above instrument; and that he/she/they signed his/her their name(s) thereto by authority of the board of directors of said corporation.

FRANCIS BYUN
NOTARY PUBLIC, State of New York
No. 01876006760
Certificate Filed in New York County
Commission Expires March 17, 2003


Notary Public

[Notarial Seal]

STATE OF NEW YORK)

COUNTY OF NEW YORK)

On the 17th day of December in the year 2003 before me personally came Robin Alexander Isaac to me known, who, being by me duly sworn, did depose and say that he/she/they reside(s) at 25 Gresham Street, London EC2 7HN; that he/she/they is (are) the Head of Legal and Assistant Secretary (attorney in fact duly appointed) of Lloyds TSB Leasing Limited, the partnership described in and which executed the above instrument; and that he/she/they signed his/her their name(s) thereto by authority of the partners of said partnership.

FRANCIS DYER
NOTARY PUBLIC, State of New York
No. 01170002700
Certificate Filed in New York County
Commission Expires March 17, 2007


Notary Public

[Notarial Seal]

LIST OF LEASES AND OTHER OPERATIVE AGREEMENTS

Lease No. 1 – Consumers Energy Company

Railroad Equipment Lease dated as of November 28, 2001, between Babcock & Brown Rail Funding LLC (as assignee of Joseph Leasing Ltd. (as assignee of Joseph Transportation Services, Inc.)) and Consumers Energy Company.

Memorandum of Railroad Equipment Lease Agreement entered into November 28, 2001, between Babcock & Brown Rail Funding LLC (as assignee of Joseph Leasing Ltd. (as assignee of Joseph Transportation Services, Inc.)) and Consumers Energy Company.

Acceptance Certificate dated as of January 11, 2001, covering 135 Aluminum Bethgon Coal Porters bearing reporting marks PSTX 8001 – 8135.

Acceptance Certificate dated as of January 21, 2002, covering 135 Aluminum Bethgon Coal Porters bearing reporting marks PSTX 5001 – 5020, inclusive; and PSTX 8136 – 8250, inclusive.

Acceptance Certificate dated as of January 23, 2002, covering 10 Aluminum Bethgon Coal Porters bearing reporting marks PSTX 5021 – 5030, inclusive.

Assignment and Assumption Agreement dated as of December 11, 2001, between Joseph Transportation Services, Inc. and Joseph Leasing Ltd.

Notice of Assignment of Lease and Acknowledgement by Lessee dated as of May 3, 2002, among Joseph Transportation Services, Inc., Babcock & Brown Rail Funding LLC (as assignee of Joseph Leasing Ltd.) and Consumers Energy Company.

Memorandum of Assignment and Assumption Agreement dated December 11, 2001 between Joseph Transportation Services, Inc. and Babcock & Brown Rail Funding LLC (as assignee of Joseph Leasing Ltd.).

Warranty Bill of Sale dated December 14, 2001, covering 135 Aluminum Bethgon Coal Porters bearing reporting marks PSTX 8001-8235, inclusive, from Johnstown America Corporation to Joseph Transportation Services, Inc.

Warranty Bill of Sale dated January 17, 2002, covering 145 Aluminum Bethgon Coal Porters bearing reporting marks PSTX 8136-8250, inclusive and PSTX 5001-5030, inclusive, from Johnstown America Corporation to Joseph Transportation Services, Inc.

Assignment and Assumption of Obligations dated as of July 26, 2002, between Joseph Transportation Services, Inc., as assignor and Babcock & Brown Rail Funding LLC, as assignee.

Warranty Assignment dated as of July 26, 2002, between Joseph Leasing Ltd. and Babcock & Brown Rail Funding LLC.

Manufacturers Consent dated July 26, 2002, by Johnstown America Corporation.

Lease No. 2 – Wheeling & Lake Erie Railway

Railroad Equipment Lease dated as of January 30, 1998, between Babcock & Brown Rail Funding LLC (as assignee of Joseph Leasing Ltd. (f/k/a DJJ Leasing Ltd.)) and Wheeling & Lake Erie Railway.

Memorandum of Railroad Equipment Lease Agreement dated as of January 30, 1998, between Babcock & Brown Rail Funding LLC (as assignee of Joseph Leasing Ltd. (f/k/a DJJ Leasing Ltd.)) and Wheeling & Lake Erie Railway.

Amendment No. 1 to the Railroad Equipment Lease entered into November 20, 1998, between Babcock & Brown Rail Funding LLC (as assignee of Joseph Leasing Ltd. (f/k/a DJJ Leasing Ltd.)) and Wheeling & Lake Erie Railway.

Memorandum of Railroad Equipment Lease Amendment No. 1 dated as of November 20, 1998, between Babcock & Brown Rail Funding LLC (as assignee of Joseph Leasing Ltd. (f/k/a DJJ Leasing Ltd.)) and Wheeling & Lake Erie Railway.

Amendment No. 2 to the Railroad Equipment Lease entered into January 12, 2001, between Babcock & Brown Rail Funding LLC (as assignee of Joseph Leasing Ltd. (f/k/a DJJ Leasing Ltd.)) and Wheeling & Lake Erie Railway.

Memorandum of Amendment No. 2 to the Railroad Equipment Lease entered into January 12, 2001, between Babcock & Brown Rail Funding LLC (as assignee of Joseph Leasing Ltd. (f/k/a DJJ Leasing Ltd.)) and Wheeling & Lake Erie Railway.

Acceptance Certificate dated as of April 22, 1998, covering 50 Mill Gondolas bearing reporting marks WE 2600 – 2649, inclusive.

Lease No. 3 – FirstEnergy Generation Corp. #1

Master Car Lease Agreement dated as of June 26, 2002 between Babcock & Brown Rail Funding LLC (as assignee of Flex Leasing Corporation), as lessor, and FirstEnergy Generation Corp., as lessee.

Schedule No. 01 to Master Car Lease Agreement dated as of June 26, 2002 between Babcock & Brown Rail Funding LLC (as assignee of Flex Leasing Corporation), as lessor, and FirstEnergy Generation Corp., as lessee.

Memorandum of Lease of Railcars [FLC] dated as of June 28, 2002 between Babcock & Brown Rail Funding LLC (as assignee of Flex Leasing Corp.), as lessor, and FirstEnergy Generation Corp., as lessee.

Lease No. 4 – FirstEnergy Generation Corp. #2

Master Car Lease Agreement dated as of June 26, 2002 between Babcock & Brown Rail Funding LLC (as assignee of Flex Leasing Corporation), as lessor, and FirstEnergy Generation Corp., as lessee.

Schedule No. 02 to Master Car Lease Agreement dated as of June 26, 2002 between Babcock & Brown Rail Funding LLC (as assignee of Flex Leasing Corporation), as lessor, and FirstEnergy Generation Corp., as lessee.

Memorandum of Lease of Railcars [FLC] dated as of August 14, 2002 between Babcock & Brown Rail Funding LLC., as lessor, and FirstEnergy Generation Corp., as lessee.

Lease No. 5 – BC Rail Partnership

Lease Agreement made as of March 1, 2002, between Babcock & Brown Rail Funding LLC (as assignee of Greenbrier Leasing Corporation) and BC Rail Partnership.

Schedule No. 01 to Lease Agreement made as of March 1, 2002, between Babcock & Brown Rail Funding LLC (as assignee of Greenbrier Leasing Corporation) and BC Rail Partnership.

Memorandum of Lease Agreement dated March 1, 2002, between Babcock & Brown Rail Funding LLC (as assignee of Greenbrier Leasing Corporation) and BC Rail Partnership.

Bill of Sale dated May 1, 2002, from Gunderson, Inc. to the Greenbrier Leasing Corporation.

Certificate of Acceptance dated July 16, 2002, covering 66 Plate F Boxcars bearing reporting marks AOK14105-14170 inclusive, by BC Rail Partnership.

Certificate of Acceptance dated April 16, 2002, covering 11 Plate F Boxcars bearing reporting marks AOK14117, 14121, and 14160-14168 inclusive, by Greenbrier Leasing Corporation.

Certificate of Acceptance dated April 17, 2002, covering 10 Plate F Boxcars bearing reporting marks AOK14129-14133 inclusive, 14137, 14138, 14159, 14169 and 14170, by Greenbrier Leasing Corporation.

Certificate of Acceptance dated April 18, 2002, covering 2 Plate F Boxcars bearing reporting marks AOK14140 and 14141, by Greenbrier Leasing Corporation.

Certificate of Acceptance dated April 19, 2002, covering 2 Plate F Boxcars bearing reporting marks AOK14143 and 14144, by Greenbrier Leasing Corporation.

Certificate of Acceptance dated April 10, 2002, covering 4 Plate F Boxcars bearing reporting marks AOK14107, 14113, 14125 and 14128, by Greenbrier Leasing Corporation.

Certificate of Acceptance dated April 11, 2002, covering 10 Plate F Boxcars bearing reporting marks AOK14105, 14108, 14111, 14112, 14114, 14115, 14126, 14134, 14135 and 14142, by Greenbrier Leasing Corporation.

Certificate of Acceptance dated April 12, 2002, covering 8 Plate F Boxcars bearing reporting marks AOK14116, 14118-14120 inclusive, 14122 - 14124 inclusive and 14146, by Greenbrier Leasing Corporation.

Certificate of Acceptance dated April 15, 2002, covering 19 Plate F Boxcars bearing reporting marks AOK14106, 14109, 14110, 14127, 14136, 14139, 14145, and 14147 – 14158 inclusive, by Greenbrier Leasing Corporation.

Manufacturers Consent dated July 25, 2002 by Gunderson, Inc.

Warranty Assignment [GLC] dated as of July 25, 2002 between Greenbrier Leasing Corporation, as assignor, and Babcock & Brown Rail Funding LLC as assignee.

Lease No. 6 – Bombardier Capital Rail Inc.

Master Railcar Lease dated as of July 25, 2002, between Babcock & Brown Rail Funding LLC and Bombardier Capital Rail Inc.

Schedule No. 01 to Master Railcar Lease dated as of July 25, 2002 between Babcock & Brown Rail Funding LLC and Bombardier Capital Rail Inc.

Memorandum of Lease and Security Interest in Respect of Railcars dated as of July 25, 2002, between Babcock & Brown Rail Funding LLC and Bombardier Capital Rail Inc.

Warranty Assignment dated as of July 25, 2002 between Bombardier Capital Rail Inc. and Babcock & Brown Rail Funding LLC.

Bill of Sale dated as of May 31, 2002 from Greenbrier Leasing Corporation.

Bill of Sale dated as of July 12, 2002 from Greenbrier Leasing Corporation.

Manufacturer Consent and Agreement dated May 31, 2002 by Gunderson, Inc.

Manufacturer Consent and Agreement dated July 12, 2002 by Gunderson, Inc.

Manufacturer's Consent dated July 25, 2002 by Gunderson, Inc.

Keepwell Agreement dated as of July 25, 2002 between Bombardier Capital Rail Inc. and Babcock & Brown Rail Funding LLC.

Guaranty Agreement dated as of July 25, 2002 between Bombardier Capital Rail Inc. and Babcock & Brown Rail Funding LLC.

CERTIFICATION

I, Robert W. Alvord, attorney licensed to practice in the State of New York and the District of Columbia, do hereby certify under penalty of perjury that I have compared the attached copy with the original thereof and have found the copy to be complete and identical in all respects to the original document.

Dated: _____

12/17/03



Robert W. Alvord